

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6706**

**BILL NUMBER:** HB 1356

**NOTE PREPARED:** Dec 29, 2008

**BILL AMENDED:**

**SUBJECT:** Charity Gaming.

**FIRST AUTHOR:** Rep. Noe

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill amends the definition of "qualified organization" to enable an organization that reorganizes and changes its name to obtain a charity gaming license under the new name. It requires the reorganized organization to have been continuously in existence in Indiana for at least five (5) years or affiliated with a parent organization that had been in existence in Indiana for at least five (5) years under its previous name. It also describes the information considered evidence of the continuity between organizations.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** *Summary* - The Indiana Gaming Commission will have to consider certain evidence that a licensed organization that has reorganized had been continuously in existence, or was an affiliate of a parent organization that was continuously in existence, for five years in Indiana. The number of charitable gaming licensees that are unable to renew a license due to a reorganization is unknown, but likely to be small in number. Any additional administrative cost due to the bill would be defrayed by charity gaming license fee revenue and revenue from the Charity Gaming Excise Tax distributed to the Charity Gaming Enforcement Fund.

**Explanation of State Revenues:** *Summary* - The bill permits a charitable organization that reorganizes and continues its mission under a new name to qualify for a charitable gaming license provided it was previously either continuously in existence in Indiana for at least five years or affiliated with a parent organization that was continuously in existence for at least five years. The bill specifies information that the organization may provide to the Indiana Gaming Commission as evidence of meeting this requirement. The bill also specifies that the organization have a new tax identification number and that the organization's new name is filed with

Secretary of State.

The number of charitable gaming licensees that are unable to renew a license due to a reorganization is unknown, but likely to be small in number. As a result, the revenue impact of the bill is probably minimal. Moreover, any gaming revenue generated by an organization that loses its license due to a reorganization could potentially shift to charitable gaming being conducted by another organization.

**Background Information** - Current law requires a bona fide civic, educational, political, religious, senior citizens, or veterans organization to obtain a charity gaming license for purposes of conducting charity gaming events that award more than \$1,000 in prizes for a single event and more than \$3,000 during a calendar year. To qualify a charitable gaming license, the organization must be: (1) a not-for-profit organization; (2) exempt from taxation under Section 501 of the Internal Revenue Code; and (3) either continuously in existence in Indiana for at least five years or affiliated with a parent organization that meets this requirement. Allowable charitable gaming events consist of bingo, charity game nights, raffles, door prize events, festivals, sale of pull tabs, punchboards, and tip boards, and winner take all drawings.

License fees are imposed on organizations licensed to conduct charitable gaming, and manufacturers and distributors of bingo cards, boards, sheets, or pads; other bingo supplies, devices, or equipment; or pull tabs, punchboards, and tip boards to licensed organizations. In addition to the license fees, the Charity Gaming Excise Tax on pull tabs, punchboards, and tip boards is based on the wholesale price of these devices when sold to organizations by distributors and manufacturers.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Gaming Commission.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Jim Landers, 317-232-9869.